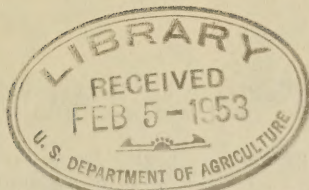


1.941  
58 Ag 82  
Cop. 2



1953 OUTLOOK ISSUE  
FOR RELEASE OCT. 19

# The AGRICULTURAL OUTLOOK DIGEST

BUREAU OF AGRICULTURAL ECONOMICS, U. S. D. A.

WASHINGTON, D. C.



OCTOBER 1952

Farmers are likely to receive slightly lower prices for the products they sell and spend a little more for production expenses in 1953 than this year.

The outlook indicates that demand for farm products in the U. S. will continue strong in 1953. The production and sale of goods by industry and business will continue to rise well into the coming year. Employment will remain high and consumer income is likely to increase.

The prospect for rising economic activity through at least the first half of 1953 rests on the likelihood

- that spending for national security will continue upward;
- that expenditures of state and local governments for schools, roads and other public facilities will rise;
- that businessmen will continue to invest in new plants and equipment at a high rate;
- that consumer spending will again increase.

By mid-1953, national security spending is expected to be at an annual rate of 55 to 60 billion dollars compared with 50 billion at present. The rate is expected to level off sometime in the last half of the year. Total government spending—federal, state and local—in 1953 is expected to be moderately higher than this year.

Business investment, at a record level in 1952, will continue high for several months. However, many expansion programs in industries producing armaments will be completed in 1953. Private investment may fall off moderately in the latter part of the year.

Although national security and investment spending may level off in the last half of 1953, employment will continue high and consumer incomes in the second half of the year are likely to be higher than in the same period of 1952.

Consumers earned a little more and saved less this year than last. With credit restrictions suspended, incomes higher and savings still large, consumers are likely to increase their spending further next year.

Although the domestic market for farm products will continue generally strong, demand from foreign countries is declining. Foreign supplies of our main export products are larger; some countries have fewer dollars. Sharpest declines in exports in the 1952-53 marketing year are expected for wheat and cotton. However, substantial quantities of both commodities are being shipped abroad.

Supplies of farm commodities in 1953 will again be large. Production is likely to be close to the record level of 1952 if the weather is average. The quantity of food per person probably will be about the same as or a little larger than in 1952. Retail food prices probably will average about the same as this year.

The supply and demand outlook points to a slightly lower average for prices received by farmers than in 1952. With not much change expected in the quantity of farm products marketed, cash receipts are not likely to exceed 1952.

On the other hand, farmers costs—most factory made production goods, labor, interest and taxes—are expected to move slowly upward. The squeeze between prices and costs probably will reduce the net income of farm operators somewhat below 1952.

LIVESTOCK AND MEAT After building up their herds for 3 years, farmers began to increase marketings of cattle this year. A further rise will occur in 1953; for the year as a whole, 10 to 15% more cattle and calves probably will be slaughtered than in 1952. Cattle prices are likely to fall moderately.

Because of the reduction in the 1952 fall pig crop, fewer hogs will be marketed in the first 8 months of 1953 than in the same period this year. Next spring's pig crop, which will provide market supplies of hogs in the latter part of 1953, is expected to be about the same, or perhaps a little larger than the 1952 spring crop. Sheep and lamb slaughter next year is not expected to differ much from 1952.



Because of the larger supply of beef, hog and lamb prices in 1953 probably will change little from this year's levels. Hog prices probably will average about the same or a little higher; lamb prices a little lower.

Output of all meat in 1952 may rise to the 1947 peacetime high. Because of the increase in population, however, consumption per person will be lower than in 1947—about 144 pounds compared with 154. We are consuming an estimated 142 pounds per person in 1952.

DAIRY PRODUCTS Farmers may boost milk output a little higher in 1953 than it was in 1952 when poor weather cut production. With demand continuing strong, prices are likely to be a little higher and receipts from marketings probably will increase. However, dairy farmers' costs will be at least as high in 1952.

POULTRY AND EGGS With fewer layers on farms, egg production next spring probably will be smaller than a year earlier; prices probably will be higher. This probably means a higher egg-feed price ratio and a larger number of chickens raised for laying flocks than in the spring of 1952.

A smaller increase in broiler output than in recent years is in prospect for 1953. Prices for the year are likely to be about the same or a little below the 1952 average. Turkey production in 1953 is expected to fall below the record 1952 level.

FEEDS A slightly smaller supply, continued strong demand, and not much change in prices is in prospect for feed concentrates next year.

Because of increased corn production, feed grain production this year topped 1951 by 4%. But the carryover on October 1 when the new feeding season began was almost a third lower than a year earlier and total feed grain supplies are a little smaller than for 1951-52. The supply of byproduct feed for 1952-53 also may be down slightly from the record total of last season. Fewer grain consuming livestock will be on farms in 1952-53, and the supply of concentrates per animal unit will be about the same as last season.

FATS AND OILS Use of fats and oils in the U. S. in 1952-53 is expected to remain close to the high 1952 level. Exports, however, are likely to fall below the record, or near record, total of last season. Production of food fats is expected to be down about 5% below the 1951-52 record but stocks at the beginning of 1952-53 were large. Supplies of nonfood fats will be ample in 1952-53. Prices of fats and oils in October averaged about 30% less than a year earlier; are expected to be steady, or rise slightly, for several months.

WHEAT Export demand for wheat in 1952-53 is weaker than last year, U. S. demand is about the same. Wheat production in 1952 probably will exceed disappearance by enough to push the carryover next July 1 to about 550 million bushels. The carryover last July 1 was 254 million.

FRUIT The deciduous fruit crop in 1953 is likely to be moderately larger than in 1952 if the weather is average. With stocks of canned fruits at the start of the 1953-54 canning season expected to be down moderately from a year earlier, demand from processors probably will be stronger. Not much change is expected for demand for fresh fruit. Commercial exports are likely to be smaller. This points to prices about the same, on the average, as this year.

With average weather next year, production of oranges and grapefruit next year probably will increase from 1952. Increased acreages in Florida would account for most of the gain. Prices are expected to be close to this year's level.

VEGETABLES With average or better weather next year, farmers are likely to produce more potatoes, sweetpotatoes and more fresh market truck crops than in 1952. Demand is expected to continue strong and prices probably will average below the relatively high levels of this year.

Processors are expected to try to pack about the same total quantity in 1953 as in 1952. Supplies of most items appear generally in line with the demand expected until the 1953 packs are available.

COTTON With the increased economic activity and higher incomes expected next year, U. S. mills are expected to consume more cotton in 1952-53 than last year. Exports are likely to decline to around 4.5 million bales from the 5.8 million of last season, mainly because of larger supplies abroad.

Total disappearance probably will be 13.3 to 14.6 million bales compared with 14.7 million in 1951-52. Supplies are expected to be down less than disappearance and the carryover next August 1 probably will be somewhat larger than a year earlier.

WOOL About the same U. S. wool production as in 1952 is in prospect for next year. World output probably will be up slightly. U. S. mills are likely to consume slightly more wool next year, if military requirements do not decline. Prices to wool producers probably will not differ greatly from this year.

TOBACCO Demand for flue-cured and burley is likely to be held at a high level next year by record production and consumption of cigarettes. Supplies of both types for 1952-53 are larger than a year earlier.

Exports of unmanufactured tobacco in calendar year 1953 may be a little larger than this year, since the economic position of several importing nations is improving.